



Vantiv to Acquire Mercury Payments

May 12, 2014



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These charts and the associated remarks are integrally related and are intended to be presented and understood together.

vantiv +  **MERCURY[®]**

A Winning Combination of
Technology, Distribution
and Scale

Presenters



Charles Drucker

President and Chief Executive Officer, Vantiv

Matt Taylor

Chief Executive Officer, Mercury Payments

Mark Heimbouch

Chief Financial Officer, Vantiv

Transaction Overview

A Winning Combination

- ▶ Vantiv and Mercury create a winning combination of technology, distribution and scale
- ▶ Mercury is a pioneer in integrated payments and has one of the largest networks of developers and dealers that provides the reach of a large direct sales force
- ▶ The acquisition of Mercury continues Vantiv's expansion in high-growth channels and deepens our penetration into the integrated payments channel

Attractive Financial Profile

- ▶ Given Mercury's strong double-digit growth, we expect that this transaction will be accretive to Vantiv's net revenue growth by 1-2% annually
- ▶ The transaction is accretive to adjusted earnings per share in 2014, accelerating in 2015

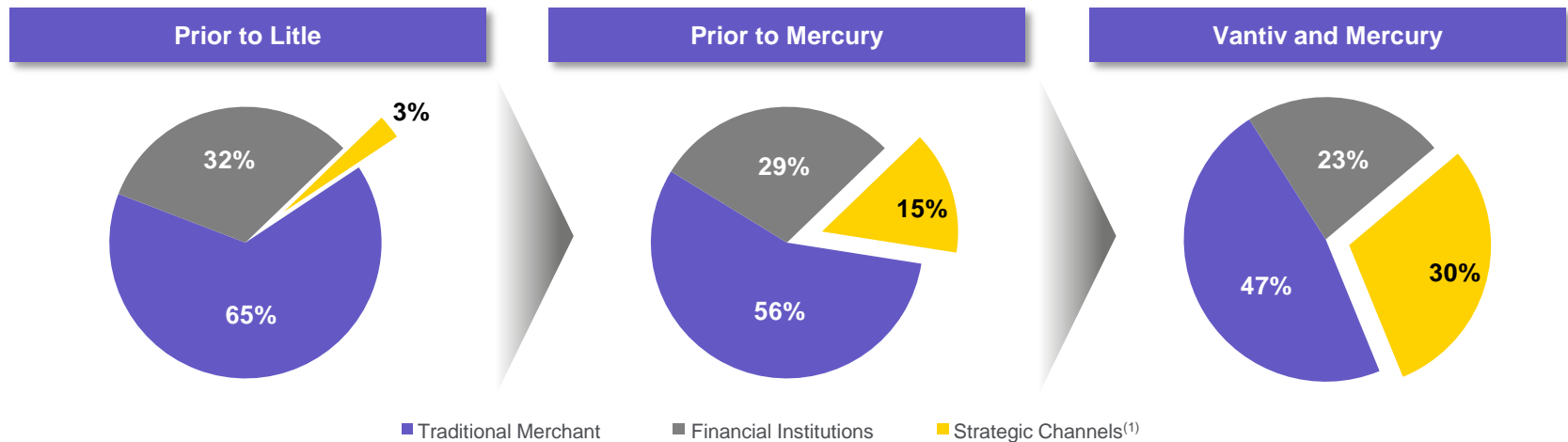
Key Metrics and Timeline

- ▶ In 2013, Mercury generated net revenue of \$237 million, growing by 17% year-over-year, and Adjusted EBITDA of \$93 million, growing by 23% year-over-year
- ▶ Purchase price of \$1.65 billion; implied purchase multiple (net of tax benefits and synergies) of low-to-mid teens Adjusted EBITDA
- ▶ \$1.65 billion of committed financing resulting in pro forma leverage of 4.6x net debt / Adjusted EBITDA at closing
- ▶ The transaction is expected to close in the second quarter of 2014, subject to U.S. antitrust clearance and other customary closing conditions

Mercury Accelerates Our Growth Strategy

We continue to deliver on our stated strategic objectives

- ✓ We continue to build on our core advantages to grow our traditional Merchant and Financial Institutions businesses while executing on our strategy to expand into high-growth strategic channels
- ✓ We continue to develop referral relationships with strategic partners
- ✓ We continue to invest in our technology capabilities to drive growth in online and omni-channel, including the acquisitions of Litle and Element
- ✓ Combined, our strategic channels are growing 20% annually and will represent 30% or more of our net revenue



The acquisition of Mercury transforms Vantiv's channel mix by dramatically expanding our distribution in high-growth Strategic Channels

Vantiv and Mercury is a Winning Combination

We continue to execute on our strategy of being a leading payments company and expanding into high-growth channels

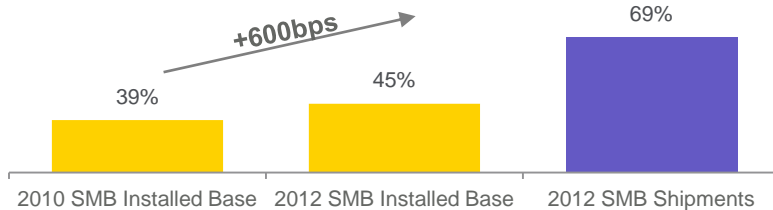
- ▶ Integrated payments is a high-growth and strategically important channel that is expected to represent over 30% of payments volume by 2017⁽¹⁾
- ▶ Mercury is a leader in the integrated payments channel with distribution and technology that are complimentary to Vantiv's and Element's capabilities
- ▶ Opportunity to expand Mercury's network of software developers and dealers as well as to further penetrate its existing network, where we estimate that current penetration rate is near 10%
- ▶ SaaS model will allow for rapid delivery of new features and payments functionality to merchants
- ▶ Technology innovation and expertise creates high client retention and revenue visibility
- ▶ Combined management team has a track record of successful execution and integration
- ▶ Accelerates Vantiv's long-term net revenue and earnings growth profile

Combined Company has Leading Technology, Distribution and Scale

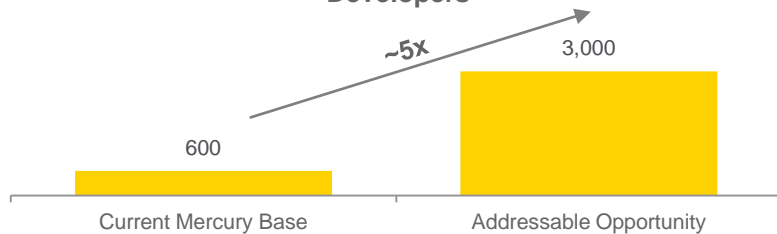
Secular Shift to Integrated Payment Solutions

Significant Growth Opportunity

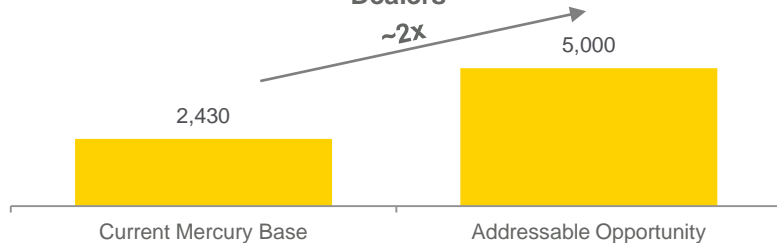
% Integrated Payments Capable Devices



Developers



Dealers



Powerful Secular Trends

- ▶ Declining cost of software is expanding the addressable opportunity
- ▶ Demand for integrated, omni-channel technology solutions
- ▶ Vertical specialization of integrated payments software
- ▶ Refresh cycles drive enhanced features and functionality

Combined capabilities will enable us to grow our integrated payments channel strong double digits and faster than the overall payments industry

Leading Technology, Distribution and Scale

vantiv™

- Third largest merchant acquirer differentiated by a single, integrated technology platform
- Leading portfolio of technology with diversified distribution capabilities
- Integrated security and fraud technology with EMV solutions
- Significant scale and superior cost structure

**Winning
Combination**

MERCURY®

- Pioneer in integrated payments
- Leading distribution capabilities with largest network of dealers and developers
- Complementary technologies and verticals
- Unique approach to capture significant SMB opportunity

Our comprehensive technology platform provides software developers and dealers the ability to seamlessly integrate our payment solutions across all verticals

vantiv™

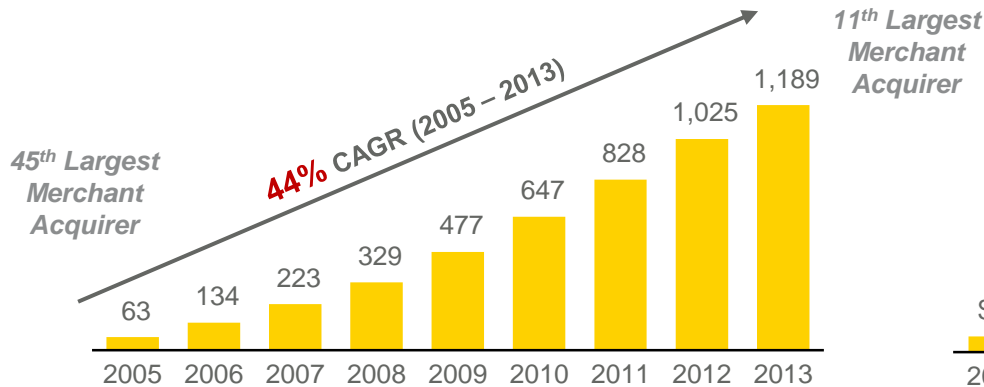


Mercury Payments Overview

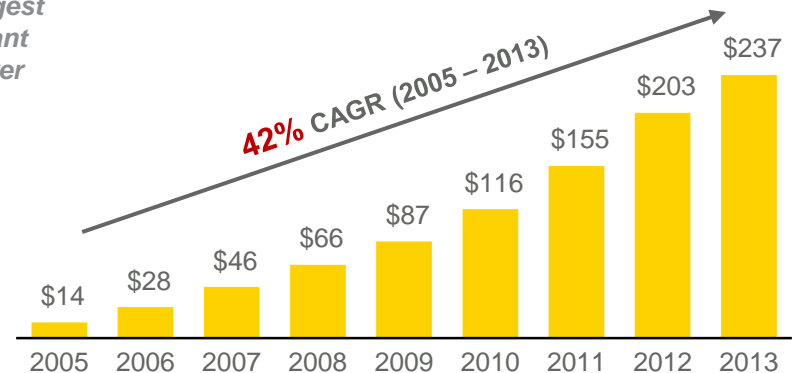
- ✓ Industry leading growth with net revenue and Adj. EBITDA growing 17% and 23%, respectively, in 2013
- ✓ Pioneered integrated payments by developing an innovative distribution model
- ✓ SMB-specific, with feature-rich functionality and best-in-class customer service
- ✓ Specialized solutions and services built for integrated payments integration delivery

Track Record of Growth

Transactions (millions)



Net Revenue (\$ in millions)⁽¹⁾

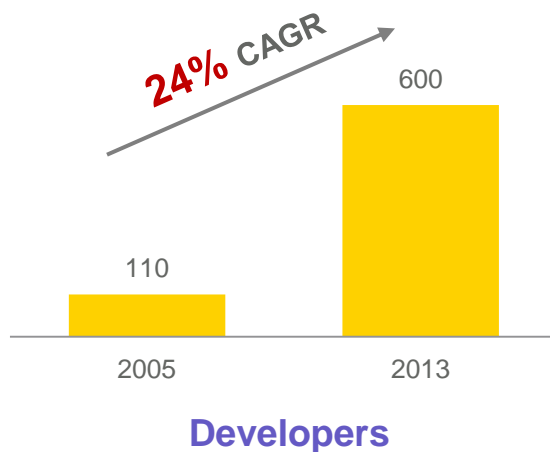


Mercury has realized significant growth, transitioning the business to become the 11th largest Merchant Acquirer

Largest Base of Integrated Payments Developers and Dealers Creates Powerful Distribution Network

Superior Integrated Solutions

Mercury's payment services are integrated into Developers' software



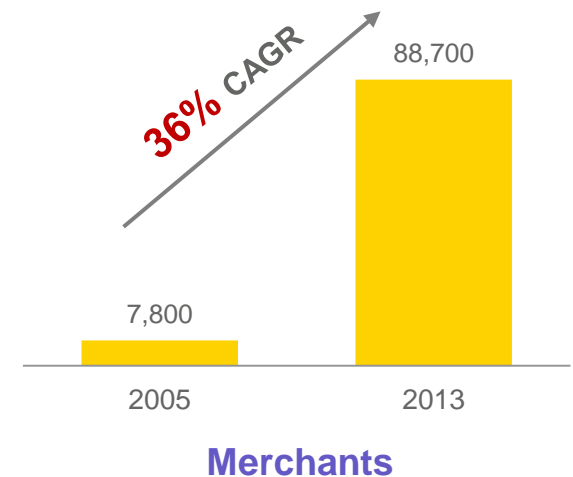
Powerful Distribution Network

Mercury's payment services are sold via Developer & Dealer channel



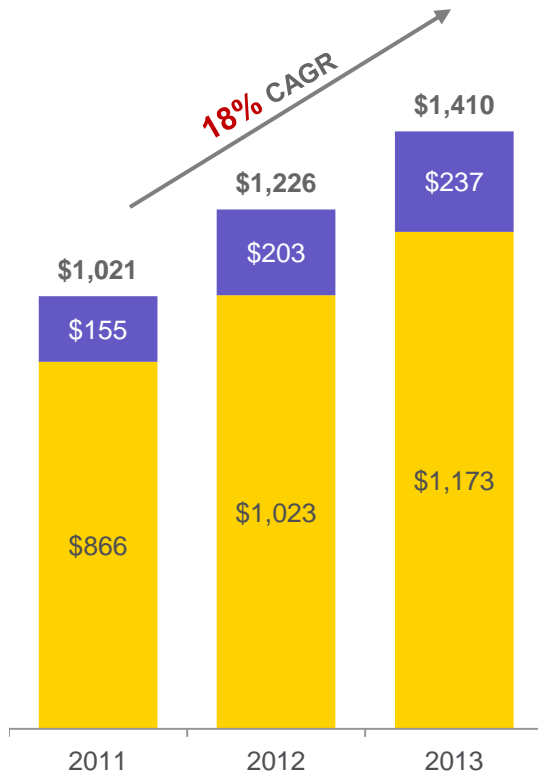
Differentiated Merchant Experience

Mercury's merchants benefit from specialized solutions and leading customer support



The Transaction Enhances Our Growth Profile

Net Revenue (\$ in millions)



Adjusted EBITDA (\$ in millions)



Enhances Growth Profile

- ▶ We are uniquely positioned to benefit from the secular shift toward integrated payments software and services
- ▶ Mercury's solid double-digit growth will accelerate our growth profile
- ▶ High-growth Strategic Channels expected to represent over 30% of our net revenue
- ▶ Upside opportunity to cross-sell our comprehensive suite of services

■ Vantiv ■ Mercury Payments

Financial Considerations

Financing Structure

- ▶ Vantiv has received committed financing from JP Morgan, BofA Merrill Lynch and Credit Suisse to fund the transaction
- ▶ Vantiv to maintain a strong capital structure post-transaction
 - Pro forma leverage of 4.6x Net Debt / LTM 3/31/2014 Adjusted EBITDA, delevering up to 1.0x annually
 - Strong free cash flow generation supports delevering

Financial Impact

- ▶ Vantiv will benefit from 1-2% of incremental net revenue growth as well as cost synergies and annual tax benefits
- ▶ Accretive to adjusted earnings per share in 2014, accelerating in 2015
- ▶ Ample liquidity available through cash on hand, revolver and cash from operations

Conclusion

Compelling strategic acquisition that positions Vantiv to capture the secular shift toward integrated payments

- ▶ Combination of technology, distribution and scale creates a leading player in the integrated payments channel
- ▶ Delivers a comprehensive portfolio of innovative technology solutions with expanded cross-selling opportunities
- ▶ Transforms Vantiv's channel mix and growth profile
- ▶ Combines strong management teams with track record of successful execution of its strategy and integration of acquisitions